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IDEA-0359

Copy 2 of 7

17 JUL 1961

MEMORANDUM FOR: Deputy Director (Plans)

SUBJECT : Conversion of U-2A Aircraft to J-75 Configuration

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1. This memorandum contains a recommendation for the approval of the Deputy Director, Plans. Said recommendation is set forth in paragraph 5.
2. An Activity Program has been approved to convert one U-2A aircraft to the J-75 configuration. This is Article 344. The cost of this conversion, including IAW, is [REDACTED]. Three additional aircraft ultimately will require this conversion to support operational requirements. This will give us a total of seven J-75 configured aircraft.
3. Several choices are open to us in completing the final three conversions. These are:
 - a. Convert all three in sequence with Article 344.
 - b. Convert one more in sequence with Article 344 and simultaneously fabricate the necessary parts for the remaining two.
 - c. Fabricate the parts for the final three simultaneously with the conversion of Article 344.
 - d. Convert each aircraft individually under separate programs.
4. The most economical way to accomplish this program is to convert and IAW all four aircraft in sequence. The costs and savings for varying numbers of aircraft are as follows:

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
TOTAL COST	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COST PER AIRCRAFT	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
SAVINGS PER AIRCRAFT	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL SAVINGS	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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You will note the total savings resulting from converting all four aircraft in sequence exceeds the cost of converting one alone as compared to the cost of converting four if done one-at-a-time.

5. If all four aircraft are not converted in sequence, the next most economical approach is to convert one more in sequence with Article 344 and fabricate the parts for the remaining two. Considerable savings in tooling costs can be had by fabricating the parts for all aircraft at the same time instead of retooling for this effort at a later date. An additional investment of [] at this time will generate a savings of []. This investment is less than the cost of one conversion alone.

6. The minimum program which should be accomplished is to fabricate the parts for the final three aircraft simultaneously with the conversion of Article 344. An additional investment of [] now will save us [] in retooling costs should we convert these three aircraft at a later date.

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7. To summarize, an additional investment now in the conversion program in the amounts shown below will generate the savings shown over the cost of the one program if each aircraft is done separately.

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Convert Four in Sequence

<u>ADDITIONAL COST</u>	<u>SAVINGS</u>
[]	[]
[]	[]
[]	[]

Convert Two Plus Two Sets Parts

Convert One Plus Three Sets Parts

A detailed breakdown of the relative costs and savings associated with each program is included in Attachment 1.

8. In view of the relative savings and costs of each of the above choices, it is recommended that we convert the final three aircraft during FY 1962 in sequence with Article 344.

(Signed) Stanley W. Russell

STANLEY W. RUSSELL
Acting Chief, DPT-DP/P

Recommendation in Paragraph 8 APPROVED:

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RICHARD M. RUSSELL, Jr.
Deputy Director
(Plans)

Approved for two conversions and two sets parts now, at total cost of []. Decision on two remaining conversions to be made prior 1 October 1961.

ATTACHMENT: 1

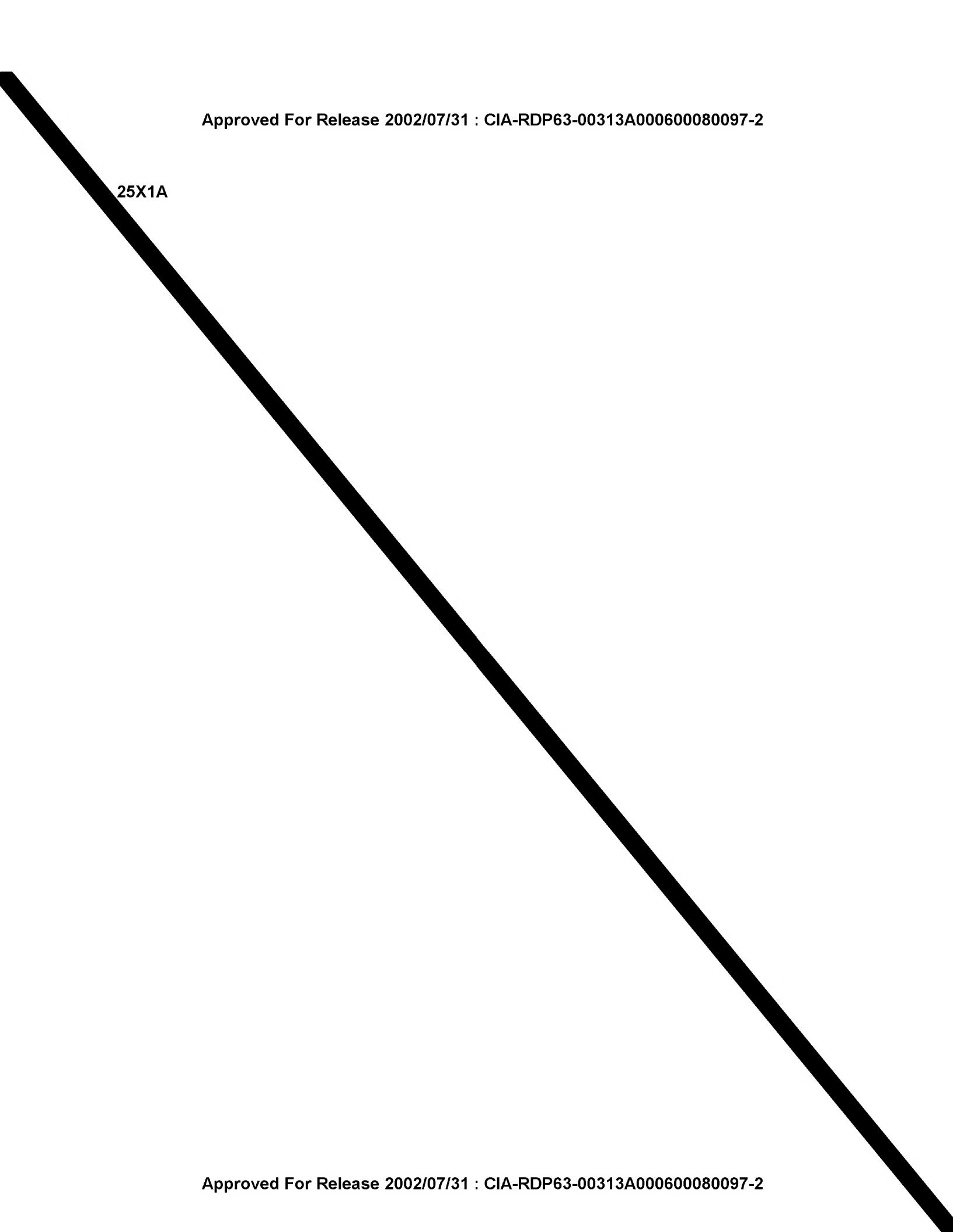
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